

The Gazette of India



EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

No. 48] NEW DELHI, THURSDAY, NOVEMBER 1, 1951

MINISTRY OF LAW

New Delhi, the 1st November, 1951

The following Acts of Parliament received the assent of the President on the 29th October, 1951 and are hereby published for general information :—

THE APPROPRIATION (No. 3) ACT, 1951.

No. LX OF 1951.

An Act to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1952.

[29th October, 1951]

Enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Appropriation (No. 3) Act, 1951.

2. **Issue of Rs. 28,75,82,000 out of Consolidated Fund of India for the year 1951-52.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-eight crores, seventy-five lakhs and eighty-two thousand rupees towards defraying the several charges which will come in course of payment during the year ending on the 31st day of March, 1952, in respect of the services specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the year ending on the 31st day of March, 1952.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry.	3,00,000	..	3,00,000
2	Industries	89,49,000	..	89,49,000
3	Commercial Intelligence and Statistics.	3,00,000	..	3,00,000
5	Indian Posts and Telegraphs Department (including work-in-expenditure).	1,83,00,000	..	1,83,00,000
18	Ministry of External Affairs	77,000	..	77,000
19	Tribal Areas	1,30,000	..	1,30,000
20	External Affairs	33,87,000	..	33,87,000
21	Ministry of Finance	8,25,000	..	8,25,000
22	Union Excise Duties.	10,00,000	..	10,00,000
23	Taxes on Income including Corporation Tax.	11,55,000	..	11,55,000
25	Opium	11,00,000	..	11,00,000
28	Audit	6,50,000	..	6,50,000
29	Joint Stock Companies	60,000	..	60,000
30	Miscellaneous Departments	1,47,000	..	1,47,000
34	Miscellaneous	15,25,40,000	..	15,25,40,000
35	Grants-in-aid to States	2,58,14,000	..	2,58,14,000
37	Resettlement and Development	10,14,000	..	10,14,000
38	Pre-partition Payments	80,00,000	..	80,00,000
40	Ministry of Food and Agriculture	3,77,000	..	3,77,000
45	Agriculture	17,44,000	..	17,44,000
46	Civil Veterinary Services	4,79,000	..	4,79,000
47	Indian Dairy Department	1,00,000	..	1,00,000
49	Medical Services	95,000	..	95,000
53	Police	5,70,000	..	5,70,000
56	Delhi	8,72,000	..	8,72,000
57	Ajmer	11,34,000	..	11,34,000
63	Administration of Justice	10,000	10,000	20,000
70	Ministry of Rehabilitation	1,82,000	..	1,82,000
71	Expenditure on Displaced Persons	4,00,000	..	4,00,000
72	Ministry of States	5,00,000	..	5,00,000
73	Territorial and Political Pensions	..	78,27,000	78,27,000
74	Kutch	1,53,000	..	1,53,000
75	Himachal Pradesh	5,73,000	..	5,73,000
77	Bhopal	4,87,000	..	4,87,000
78	Vindhya Pradesh	50,000	..	50,000
79	Manipur	1,27,000	..	1,27,000
80	Tripura	8,02,000	..	8,02,000
81	Relations with States	5,68,000	..	5,68,000
88	Supplies	2,32,000	..	2,32,000
91	Stationery and Printing	3,00,000	..	3,00,000
95	Capital Outlay on Industrial Development.	1,000	..	1,000
100	Capital Outlay on Schemes of Government Trading.	1,000	..	1,000
105	Loans and Advances by the Central Government.	..	1,10,31,000	1,10,31,000
	TOTAL	26,81,14,000	1,94,68,000	28,75,82,000

THE ALL INDIA SERVICES ACT, 1951.

No. LXI of 1951.

An Act to regulate the recruitment, and the conditions of service of persons appointed, to the all-India Services common to the Union and the States:

[29th October, 1951]

Be it enacted by Parliament as follows:—

1. Short title.—This Act may be called the All-India Services Act, 1951.

2. Definition.—In this Act, the expression “an all-India Service” means the service known as the Indian Administrative Service or the service known as the Indian Police Service.

3. Regulation of recruitment and conditions of service.—(1) The Central Government may, after consultation with the Governments of the States concerned, make rules for the regulation of recruitment and the conditions of service of persons appointed, to an all-India Service.

(2) All rules made under this section shall be laid for not less than fourteen days before Parliament as soon as possible after they are made, and shall be subject to such modifications, whether by way of repeal or amendment, as Parliament may make on a motion made during the session in which they are so laid.

4. Continuance of existing rules.—All rules in force immediately before the commencement of this Act and applicable to an all-India Service shall continue to be in force and shall be deemed to be rules made under this Act.

THE ALIGARH MUSLIM UNIVERSITY (AMENDMENT) ACT, 1951.

No. LXII of 1951.

An Act further to amend the Aligarh Muslim University Act, 1920.

[29th October, 1951]

Be it enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Aligarh Muslim University (Amendment) Act, 1951.

(2) Sections 30 and 31 shall come into force at once, and the remaining provisions of this Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions.

2. Amendment of section 2, Act XL of 1920.—In section 2 of the Aligarh Muslim University Act, 1920 (hereinafter referred to as the principal Act),—

(a) in clause (d), for the words "or maintained" the words "maintained or recognised" shall be substituted;

(b) clause (e) shall be omitted.

3. Amendment of section 3, Act XL of 1920.—In section 3 of the principal Act,—

(i) in clause 3, in sub-clause (b) after the word "institutions," the word "or" shall be inserted and after the said sub-clause (b) as so amended the following sub-clause shall be inserted, namely:—

"(c) being women, shall have pursued a course of private study,";

(ii) in sub-clause (4) the words "on approved persons" shall be omitted;

(iii) in sub-clause (5) after the word "diplomas" the words "and certificates" shall be inserted;

(iv) in sub-clause (7)—

(a) the word "any" shall be omitted;

(b) for the words "and posts" the words "and other posts" shall be substituted;

(v) in sub-clause (8), after the word "scholarships," the word "studentships," shall be inserted;

(vi) in sub-clause (9) for the words "for the residence of" the words "and Hostels and to recognise places of residence for the" shall be substituted;

(vii) in sub-clause (11) after the words "residence and" the words "to regulate the" shall be inserted and the word "and" at the end of the sub-clause shall be omitted.

(viii) after sub-clause (11) the following sub-clause shall be inserted, namely:

"(11A) to make special arrangements in respect of the residence, discipline and teaching of women students;

"(11B) to create administrative, ministerial and other necessary posts and to make appointments thereto; and",

(ix) in sub-clause (12) all words after the words "the University" shall be omitted.

4. Amendment of section 7, Act XL of 1920.—In section 7 of the principal Act, for the words and letters "Part A States and Part C States" the word "India" shall be substituted.

5. Substitution of new section for section 8 in Act XL of 1920.—For section 8 of the principal Act, the following section shall be substituted, namely:—

“8. *University open to all classes, castes and creeds.*—The University shall be open to persons of either sex and of whatever race, creed, caste, or class, and it shall not be lawful for the University to adopt or impose on any person, any test whatsoever of religious belief or profession in order to entitle him to be admitted therein, as a teacher or student, or to hold any office therein, or to graduate thereat, or to enjoy or exercise any privilege thereof, except in respect of any particular benefaction accepted by the University, where such test is made a condition thereof by any testamentary or other instrument creating such benefaction:

Provided that nothing in this section shall be deemed to prevent religious instruction being given in the manner prescribed by the Ordinances to those who have consented to receive it.”

6. Omission of section 9 in Act XL of 1920.—Section 9 of the principal Act shall be omitted.

7. Substitution of new section for section 11 in Act XL of 1920.—For section 11 of the principal Act, the following section shall be substituted, namely:—

“11. *Teaching in the University.*—All recognised teaching for the purpose of University degrees, diplomas and certificates shall be conducted in the name of the University and in accordance with the Ordinances and shall include lectures, seminars, tutorial instruction and practical work in the laboratory or in the field.”

8. Substitution of new section for section 12 in Act XL of 1920.—For section 12 of the principal Act, the following section shall be substituted, namely:—

“12. *Power to establish and maintain High Schools and other institutions.*—(1) The University shall, subject to the Statutes, have power to establish and maintain High Schools within a radius of fifteen miles from the University Mosque.

(2) The University may also, with the sanction of the Visitor and subject to the Statutes and the Ordinances, establish and maintain within the aforementioned limits any other institution whose objects fall within the powers of the University as described in section 5.”

9. Substitution of new section for section 12A in Act XL of 1920.—For section 12A of the principal Act, the following section shall be substituted, namely:—

“12A. *Power to recognise Colleges and institutions.*—With the approval of the Academic Council and the sanction of the Visitor, and subject to the Statutes and the Ordinances, the University may admit Colleges and institutions within fifteen miles of the University Mosque to such privileges of the University as it thinks fit.”

10. Amendment of section 13, Act XL of 1920.—In section 13 of the principal Act,—

(a) for the words “Lord Rector”, wherever they occur, the word “Visitor” shall be substituted;

(b) for the word "Court", wherever it occurs, the words "Executive Council" shall be substituted;

(c) in sub-section (2) all the words after the words "with the University" shall be omitted and after the sub-section as so amended the following sub-section shall be inserted, namely:—

"(2A) The Visitor shall in every case give notice to the University of his intention to cause an inspection or inquiry to be made, and the University shall be entitled to appoint a representative who shall have the right to be present and be heard at such inspection or inquiry."; and

(d) after sub-section (5) the following sub-section shall be inserted, namely:—

"(5) Without prejudice to the foregoing provisions of this section, the Visitor may, by order in writing, annul any proceeding of the University which is not in conformity with this Act, the Statutes or the Ordinances:

Provided that before making any such order, he shall call upon the University to show cause why such an order should not be made, and, if any cause is shown within a reasonable time, shall consider the same."

11. Omission of section 14 in Act XL of 1920.—Section 14 of the principal Act shall be omitted.

12. Substitution of new section for section 15 in Act XL of 1920.—For section 15 of the principal Act, the following section shall be substituted, namely:—

"15. *Chief Rector and Rectors.*—(1) The Governor of the State of Uttar Pradesh shall be the Chief Rector of the University.

(2) Such persons as may be appointed in this behalf in accordance with the Statutes shall be the Rectors of the University."

13. Amendment of section 16, Act XL of 1920.—In section 16 of the principal Act, the word "and" at the end of item (3) shall be omitted, and after the said item (3) the following shall be inserted, namely:—

"(3A) The Pro-Vice-Chancellor, if any;

(3B) The Treasurer;

(3C) The Registrar,

(3D) The Deans of the Faculties; and"

14. Amendment of section 19, Act XL of 1920.—For sub-section (1) of section 19 of the principal Act, the following sub-section shall be substituted, namely:—

"(1) The successors to the Vice-Chancellor holding office at the commencement of the Aligarh Muslim University (Amendment) Act, 1951, shall be appointed in the manner provided in the Statutes."

15. Amendment of section 21, Act XL of 1920.—In section 21 of the principal Act,—

(a) for the words "the Pro-Chancellor and the Vice-Chancellor" the words "and the Pro-Chancellor" shall be substituted;

(b) the words "and the Ordinances" shall be omitted.

16. Amendment of section 22, Act XL of 1920.—In section 22 of the principal Act, the word "and" at the end of item (3) shall be omitted and after the said item (3) the following shall be inserted, namely:—

"(3A) The Finance Committee;

(3B) The Faculties; and"

17. Amendment of section 23, Act XL of 1920.—In section 23 of the principal Act,—

(a) in sub-section (1),—

(i) for the words "and the Vice-Chancellor" the words and brackets "the Vice-Chancellor and the Pro-Vice-Chancellor (if any)" shall be substituted;

(ii) the proviso shall be omitted

(b) in sub-section (2) the words "and direct that necessary action be taken by the Executive or Academic Council, as the case may be, on any recommendations of the Lord Rector" shall be omitted.

18. Amendment of section 26, Act XL of 1920.—In section 26 of the principal Act, after the word "duties" the words "of the Finance Committee and the Faculties and" shall be inserted

19. Substitution of new section for section 27 in Act XL of 1920.—For section 27 of the principal Act, the following section shall be substituted, namely:—

"27. *Power to make Statutes.*—Subject to the provisions of this Act, the Statutes may provide for all or any of the following matters, namely:—

(a) the constitution, powers and duties of the authorities of the University;

(b) the election and continuance in office of the members of the said authorities, including the continuance in office of the first members, and the filling of vacancies of members, and all other matters relative to those authorities for which it may be necessary or desirable to provide;

(c) the appointment, powers and duties of the officers of the University;

(d) the constitution of a pension or provident fund and the establishment of an insurance scheme for the benefit of the officers, teachers and other employees of the University;

(e) the conferment of honorary degrees;

(f) the institution of fellowships, scholarships, studentships, exhibitions, medals and prizes;

(g) the withdrawal of degrees, diplomas, certificates and other academic distinctions;

(h) the establishment and abolition of Faculties, Departments, Halls, Colleges and other institutions;

(i) the conditions under which Colleges and institutions may be admitted to privileges of the University and for the withdrawal of such privileges;

(j) the establishment of High Schools and other institutions in accordance with the provisions of section 12; and

(k) all other matters which by this Act are to be or may be provided by the Statutes."

20. Amendment of section 28, Act XL of 1920.—For sub-section (2) of section 28 of the principal Act, the following sub-sections shall be substituted, namely:—

"(2) The Court may, from time to time make new or additional Statutes or may amend or repeal the Statutes in the manner hereinafter in this section provided.

(3) The Executive Council may propose to the Court the draft of any Statute to be passed by the Court, and such draft shall be considered by the Court at its next meeting.

(4) The Court may approve any such draft as is referred to in sub-section (3) and pass the Statute or reject it or return it to the Executive Council for reconsideration, either in whole or in part, together with any amendments which the Court may suggest:

Provided that the Executive Council shall not propose the draft of any Statute or of any amendment of a Statute affecting the status, powers or constitution of any existing authority of the University until such authority has been given an opportunity of expressing an opinion upon the proposal, and any opinion so expressed shall be in writing and shall be considered by the Court.

(5) Any member of the Court may propose to the Court the draft of any Statute and the Court may reject the proposal or refer such draft for consideration to the Executive Council, which may either reject the proposal or submit the draft to the Court in such form as the Executive Council may approve, and the provisions of this section shall apply in the case of any draft so submitted as they apply in the case of a draft proposed to the Court by the Executive Council.

(6) Every new Statute or addition to the Statutes or any amendment or repeal of a Statute shall require the previous approval of the Visitor who may sanction, disallow, or remit it for further consideration."

21. Substitution of new section for sections 29 and 30 in Act XL of 1920.—For sections 29 and 30 of the principal Act, the following section shall be substituted, namely:—

"29. *Power to make Ordinances.*—(1) Subject to the provisions of this Act and the Statutes, the Ordinances may provide for all or any of the following matters, namely:—

(a) the admission of students to the University and their enrolment as such;

(b) the courses of study to be laid down for all degrees, diplomas and certificates of the University;

(c) the award of degrees, diplomas, certificates and other academic distinctions, the qualifications for the same and the

means to be taken relating to the granting and obtaining of the same;

(d) the fees to be charged for courses of study in the University and for admission to the examinations, degrees and diplomas of the University;

(e) the conditions of the award of fellowships, scholarships, studentships, exhibitions, medals and prizes;

(f) the conduct of examinations, including the terms of office and manner of appointment and the duties of examining bodies, examiners and moderators;

(g) the maintenance of discipline among the students of the University;

(h) the conditions of residence of the students of the University;

(i) the special arrangements, if any, which may be made for the residence, discipline and teaching of women students and the prescribing for them of special courses of studies;

(j) the giving of religious instruction;

(k) the emoluments and the terms and conditions of service of teachers of the University;

(l) the maintenance of High Schools and other institutions in accordance with the provisions of section 12;

(m) the supervision and inspection of Colleges and other institutions admitted to the privileges of the University under section 12A; and

(n) all other matters which by this Act or the Statutes are to be or may be provided for by the Ordinances.

(2) The Ordinances in force immediately before the commencement of the Aligarh Muslim University (Amendment) Act, 1951, may be amended, repealed or added to at any time by the Executive Council provided that—

(i) no Ordinance shall be made affecting the conditions of residence or discipline of students except after consultation with the Academic Council;

(ii) no Ordinance shall be made—

(a) affecting the admission or enrolment of students or prescribing examinations to be recognised as equivalent to the University examinations, or

(b) affecting the conditions, mode of appointment or duties of examiners or the conduct or standard of examinations or any course of study,

unless a draft of such Ordinance has been proposed by the Academic Council.

(3) The Executive Council shall not have power to amend any draft proposed by the Academic Council under the provisions of subsection (2) but may reject the proposal or return the draft to the

Academic Council for reconsideration, either in whole or in part, together with any amendments which the Executive Council may suggest.

(4) Where the Executive Council has rejected the draft of an Ordinance proposed by the Academic Council, the Academic Council may appeal to the Central Government and the Central Government may, by order, direct that the proposed Ordinance shall be laid before the next meeting of the Court for its approval and that pending such approval it shall have effect from such date as may be specified in the order:

Provided that if the Ordinance is not approved by the Court at such meeting, it shall cease to have effect.

(5) All Ordinances made by the Executive Council shall be submitted, as soon as may be, to the Visitor and the Court, and shall be considered by the Court at its next meeting and the Court shall have power, by a resolution passed by a majority of not less than two-thirds of the members voting, to cancel any Ordinance made by the Executive Council, and such Ordinance shall, from the date of such resolution, cease to have effect.

(6) The Visitor may, by order, direct that the operation of any Ordinance shall be suspended until he has had an opportunity of exercising his powers of disallowance, and any order of suspension under this sub-section shall cease to have effect on the expiration of one month from the date of such order or on the expiration of fifteen days from the date of consideration of the Ordinance by the Court, whichever period expires later.

(7) The Visitor may, at any time after an Ordinance has been considered by the Court, signify to the Executive Council his disallowance of such Ordinance, and from the date of receipt by the Executive Council of intimation of such disallowance, such Ordinance shall cease to have effect."

22. Amendment of section 31, Act XL of 1920.—In section 31 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) The Executive Council may direct the amendment, in such manner as it may specify, of any Regulation made under this section or the annulment of any such Regulation:

Provided that any authority of the University which is dissatisfied with any such direction may appeal to the Court, whose decision in the matter shall be final."

23. Omission of section 32 in Act XL of 1920.—Section 32 of the principal Act shall be omitted.

24. Amendment of section 33, Act XL of 1920.—In section 33 of the principal Act,—

(a) in sub-section (1), for the words "the Academic Council in such manner as may be prescribed by the Ordinances" the words "the Executive Council on the recommendation of the Academic Council" shall be substituted;

(b) sub-section (2) shall be omitted;

(c) in sub-section (3), for the words "to prepare" the words "and to prepare and publish" shall be substituted and the words "and to report such results to the Executive Council for publication" shall be omitted.

25. Amendment of section 35, Act XL of 1920.—In section 35 of the principal Act,—

(a) in sub-section (1), for the words "auditors appointed by the Visiting Board" the words "the Comptroller and Auditor-General of India" shall be substituted;

(b) in sub-section (2), for the words "the Auditors report shall be submitted through the Visiting Board to the Lord Rector" the words "the report of the Comptroller and Auditor-General shall be submitted to the Visitor" shall be substituted.

26. Amendment of section 36, Act XL of 1920.—In sub-section (2) of section 36 of the principal Act, for the words "Visiting Board" the word "Visitor" shall be substituted.

27. Amendment of section 37, Act XL of 1920.—In section 37 of the principal Act,—

(a) in sub-section (1), for the words "provident and pension funds" the words "pension or provident fund or provide such insurance scheme" shall be substituted;

(b) in sub-section (2), for the figures "1897" the figures "1925" shall be substituted.

28. Amendment of section 38, Act XL of 1920.—In section 38 of the principal Act,—

(a) sub-section (1) shall be omitted;

(b) in sub-section (2), the word "other" shall be omitted and for the words "any office of any authority" the words "any office or in any authority" shall be substituted.

29. Omission of section 40 in Act XL of 1920.—Section 40 of the principal Act shall be omitted.

30. Temporary provision for amendment of Statutes.—The Central Government may, by notification in the Official Gazette, make such adaptations and modifications in the Statutes in force immediately before the commencement of this Act as, in its opinion, may be necessary or expedient to bring the provisions of the Statutes into accord with the provisions of the principal Act as amended by this Act:

Provided that nothing in this section shall be deemed to empower the Central Government to make any adaptation or modification of any such Statute after the expiration of three months from the commencement of this Act.

31. Transitional provisions.—Any officer or authority of the University exercising any functions under the principal Act, immediately before the commencement of this Act, shall continue to exercise such functions until

the corresponding new officer or authority is appointed, elected or constituted in accordance with the provisions of the principal Act as amended by this Act or the Statutes as adapted or modified under this Act.

The following Acts of Parliament received the assent of the President on the 31st October, 1951 and are hereby published for general information:—

THE STATE FINANCIAL CORPORATIONS ACT, 1951

No. LXIII OF 1951

An Act to provide for the establishment of State Financial Corporations.

[31st October, 1951]

Enacted by Parliament as follows:—

CHAPTER I

PRELIMINARY

1. **Short title, extent and commencement.**—(1) This Act may be called the State Financial Corporations Act, 1951.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force in any State on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(a) "Board" means the Board of directors of the Financial Corporation;

(b) "Financial Corporation" means the Financial Corporation established for the State under section 3;

(c) "industrial concern" means any concern engaged in the manufacture, preservation or processing of goods or in mining or in the generation or distribution of electricity or any other form of power,

(d) "prescribed" means prescribed by rules or regulations made under this Act;

(e) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (II of 1934);

(f) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (II of 1934);

(g) "underwriting" means contract, with or without conditions, to subscribe for stocks, shares, bonds or debentures of an industrial concern with a view to the resale of the whole or any part thereof.

CHAPTER II

INCORPORATION OF STATE FINANCIAL CORPORATIONS, THEIR CAPITAL AND MANAGEMENT

3. **Establishment of State Financial Corporations.**—(1) The State Government may, by notification in the Official Gazette, establish a Financial Corporation for the State under such name as may be specified in the notification.

(2) The Financial Corporation shall be a body corporate by the name notified under sub-section (1), having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire and to hold property and shall by the said name sue and be sued.

4. **Share capital and shareholders.**—(1) The authorised capital of the Financial Corporation shall be such sum as may be fixed by the State Government in this behalf, but it shall in no case be less than fifty lakhs of rupees or ~~at least~~ five crores of rupees.

(2) The authorised capital shall be divided into such number of fully paid-up shares as the State Government may determine and shall be issued to the parties mentioned in sub-section (3) at such times and in such manner as that Government may determine and each such share shall have the same face value.

(3) The State Government shall, with the approval of the Central Government, determine the number of shares which may, respectively, be distributed ~~among~~—

(a) the State Government,

(b) the Reserve Bank,

(c) scheduled banks, insurance companies, investment trusts co-operative banks or other financial institutions, and

(d) parties other than those referred to in clauses (a), (b) and (c):

Provided that the number of shares which may be allocated to the parties referred to in clause (d) shall in no case exceed twenty-five per cent. of the total number of shares.

(4) Subject to the other provisions contained in this section, the allocation of shares among the parties referred to in clauses (c) and (d) of sub-section (3) and the allotment of such shares shall be made by the Financial Corporation in such manner as may be prescribed.

(5) If any shares allocated to any of the parties referred to in clauses (c) and (d) of sub-section (3) remain unsubscribed, they shall be subscribed for by the State Government, but the State Government may at any time thereafter dispose of the shares so subscribed for to any party who was eligible to subscribe for it in the first instance.

5. **Restrictions on transfer of shares**—(1) The shares of the Financial Corporation shall not be transferable except to the State Government, the Reserve Bank or any other financial institution recognised in this behalf by the State Government

Provided that the shares subscribed for by the parties referred to in clause (d) of sub-section (3) of section 4 shall be freely transferable.

(2) Nothing contained in this section shall affect the provisions of sub-section (5) of section 4.

6. **Shares to be guaranteed by the State Government and to be trust or approved securities.**—(1) The shares of the Financial Corporation shall be guaranteed by the State Government as to the repayment of principal and the payment of annual dividend at such minimum rate as the State Government may, with the approval of the Central Government, fix by notification published in the Official Gazette at the time of issuing the shares.

(2) Notwithstanding anything contained in the Acts hereinafter mentioned in this sub-section, the shares of the Corporation shall be deemed to be included among the securities enumerated in section 20 of the Indian Trusts Act, 1882 (II of 1882) and also to be approved securities for the purposes of the Insurance Act, 1938 (IV of 1938) and the Banking Companies Act, 1949 (X of 1949).

7. Additional capital of the Financial Corporation.—(A) The Financial Corporation may, in consultation with the Reserve Bank, issue and sell bonds and debentures carrying interest for the purpose of increasing its working capital.

Provided that the total amount of bonds and debentures issued and outstanding and of the current liabilities of the Financial Corporation in the form of guarantees given by it or underwriting agreements entered into by it shall not at any time exceed five times the amount of the paid-up share capital and the reserve fund of the Financial Corporation.

(2) Bonds and debentures of the Financial Corporation shall be guaranteed by the State Government as to the repayment of the principal and the payment of interest at such rate as the State Government may, on the recommendation of the Board and with the approval of the Central Government, fix at the time the bonds and debentures are issued.

8. Deposits with the Financial Corporation.—The Financial Corporation may accept deposits from the public repayable after the expiry of a period which shall not be less than five years from the date of the making of the deposit, and on such other terms as it thinks fit:

Provided that the total amount of such deposits shall not at any time exceed the paid up capital of the Financial Corporation.

9. Management of Financial Corporations.—The general superintendence, direction and management of the affairs and business of the Financial Corporation shall vest in a Board of directors which, with the assistance of an Executive Committee and a managing director may exercise all the powers and discharge all the functions which may be exercised or discharged by the Financial Corporation.

10. Board of directors.—The Board of directors shall consist of the following, namely:—

(a) three directors nominated by the State Government;

(b) one director nominated by the Central Board of the Reserve Bank;

(c) one director nominated by the Board of Directors of the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948 (XV of 1948);

(d) three directors elected in the prescribed manner from among themselves by the parties referred to in clause (c) of sub-section (3) of section 4, one of whom shall be elected to represent scheduled banks, another to represent Co-operative banks and the third to represent the remaining financial institutions;

(e) one director elected in the prescribed manner from among themselves by the parties referred to in clause (d) of sub-section (3) of section 4 who are shareholders of the Financial Corporation;

(f) one managing director appointed by the State Government, in consultation with the Board except in the case of the first appointment.

Provided that on the first constitution of the Board the directors referred to in clauses (d) and (e) shall be nominated by the State Government and the directors so nominated shall, for the purposes of this Act, be deemed to be elected directors:

Provided further that all directors of the Board first constituted other than the managing-director shall retire at the end of the first year.

11. Term of office and retirement of directors.—(1) A nominated director shall hold office during the pleasure of the authority nominating him.

(2) An elected director other than a director deemed to be elected under the first proviso to section 10 shall hold office for four years.

Provided that two out of the four directors so elected shall retire at the end of two years after the first election and the other two at the end of four years after such election, the directors so to retire being determined by lot.

(3) Notwithstanding anything contained in sub-section (2), an elected director shall continue in office until his successor is elected and shall also be eligible for re-election for not more than two full consecutive terms after the rotation of elected directors has begun.

12. Disqualifications for being a director.—No person shall be a director who—

(a) except in the case of a managing director, is a salaried official of the Financial Corporation; or

(b) is or at any time has been adjudged insolvent or has suspended payment of his debts or has compounded with his creditors; or

(c) is found to be a lunatic or becomes of unsound mind; or

(d) is or has been convicted of any offence involving moral turpitude.

13. Removal of director from office.—The State Government may remove from office any director who—

(a) is, or has become, subject to any of the disqualifications mentioned in section 12; or

(b) without excuse sufficient in the opinion of the State Government to exonerate it, is absent without leave of the Board from more than three consecutive meetings of the Board.

14. Resignation of office by director and filling up of casual vacancies.—

(1) The managing director or any other director may resign his office by giving notice thereof in writing to the State Government, and, on such resignation being accepted, shall be deemed to have vacated his office.

(2) A casual vacancy in the office of an elected director shall be filled by election and a director so elected shall hold office for the unexpired portion of the term of his predecessor.

(3) No act or proceeding of the Board shall be questioned on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board.

15 Chairman of the Board.—(1) The Chairman of the Board shall be one of the directors, not being the managing director, nominated by the State Government, after considering, except in the case of the nomination of the first Chairman, the recommendation of the Board:

Provided that the nomination of the Chairman for any period other than the first period shall be made only after the vacancies in the office of directors

occurring by efflux of time in that period have been filled by nomination or election as the case may be.

(9) The Chairman shall hold office for two years or until his successor is nominated:

Provided that a Chairman shall so long as he remains a director be eligible for re-nomination as Chairman.

16. Remuneration of directors.—The directors other than the managing director and not being servants of the State Government shall be paid such fees for attending meetings of the Board and, if they are members thereof, of the Executive Committee, as may be prescribed.

17. Managing director.—The managing director shall—

(a) be a whole time officer of the Financial Corporation;

(b) perform such duties as the Board may, by regulations, entrust or delegate to him;

(c) hold office for four years and be eligible for reappointment;

(d) receive such salary and allowances as the Board, with the previous approval of the State Government, may determine:

Provided that the first managing director shall hold office for such term and shall receive such salary and allowances as the State Government may fix.

18. Executive Committee.—(1) The Executive Committee shall consist of the managing director who shall be the Chairman of the Committee, and three other directors, chosen as follows:—

(a) two directors elected by the nominated directors, one from among the directors nominated by the State Government, and one from among the directors nominated by the Reserve Bank and the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948 (XV of 1948);

(b) one director elected by the elected directors.

(2) A director elected to be a member of the Executive Committee shall hold office as such for the rest of his term of office as director.

19. Meetings of the Board and Committee.—(1) The Board and the Executive Committee shall meet at such times and places and shall observe such rules of procedure in regard to transaction of business at its meetings as may be provided by regulations made under this Act.

(2) All questions at a meeting shall be decided by a majority of votes of the members present, and, in the case of equality of votes, the Chairman or in his absence, any other person presiding, shall have a second or casting vote.

(3) No director shall vote on any matter in which he is interested.

(4) If for any reason the Chairman is unable to be present at a meeting—

(a) of the Board, a director other than the managing director, authorised by the Chairman in writing in this behalf, shall preside at that meeting, or

(b) of the Executive Committee, a member authorised in writing by the managing director shall preside at that meeting.

20. Powers of Executive Committee.—(1) Subject to such general or special directions as the Board may from time to time give, the Executive Committee may deal with any matter within the competence of the Board.

(2) The minutes of every meeting of the Executive Committee shall be laid before the Board at the next following meeting of the Board.

21. Advisory Committee.—The Financial Corporation may appoint one or more advisory committee or committees for the purpose of assisting the Financial Corporation in the efficient discharge of its functions and, in particular, for the purpose of securing that those functions are exercised with due regard to the circumstances and conditions prevailing in, and the requirements of, particular areas or industries.

22. Offices and agencies.—The Financial Corporation shall establish its head office at such place in the State as the State Government may specify and may, with the previous sanction of the State Government, establish offices or agencies in any other place in the State.

23. Officers and other employees of the Corporation.—The Financial Corporation may appoint such officers, advisers and employees as it considers necessary for the efficient performance of its functions, and determine, by regulations, their conditions of appointment and service and the remuneration payable to them.

CHAPTER III

POWERS AND DUTIES OF THE BOARD

24. General duty of the Board.—The Board in discharging its functions under this Act shall act on business principles, due regard being had by it to the interests of industry, commerce and the general public.

25. Business which Financial Corporations may transact.—(1) The Financial Corporation may, subject to the provisions of this Act, carry on and transact any of the following kinds of business, namely:—

(a) the guaranteeing on such terms and conditions as may be agreed upon of loans raised by industrial concerns which are repayable within a period not exceeding twenty years and are floated in the public market;

(b) the underwriting of the issue of stocks, shares, bonds, or debentures by industrial concerns;

(c) the receipt in consideration of the services mentioned in clauses (a) and (b) of such commission as may be agreed upon;

(d) the retention as part of its assets of any stocks, shares, bonds, or debentures which it may have to take up in fulfilment of its underwriting liabilities: provided that it disposes of the stocks, shares, bonds or debentures so acquired as early as practicable and in any case within a period of seven years from the date of such acquisition;

(e) the granting of loans or advances to, or the subscribing to debentures of, industrial concerns, repayable within a period not exceeding twenty years from the date on which they are granted or subscribed to, as the case may be; and

(f) generally, the doing of all such acts and things as may be incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.

(2) No accommodation shall be given under clauses (a) and (e) of sub-section (1), unless it is sufficiently secured by a pledge, mortgage, hypothecation or assignment of Government or other securities, stocks, shares or secured debentures, bullion, movable or immovable property or other tangible assets in the manner prescribed by regulations.

26. Limit of accommodation.—The Financial Corporation shall not enter into any arrangement under clauses (a) and (e) of sub-section (1) of section 25 with a single industrial concern for an amount equivalent in the aggregate to more than ten per cent. of the paid-up share capital of the Corporation, but in no case exceeding ten lakhs of rupees.

27. Power to impose conditions for accommodation.—(1) In entering into any arrangement under section 25 with an industrial concern, the Financial Corporation may impose such conditions as it may think necessary or expedient for protecting the interests of the Financial Corporation and securing that the accommodation granted by it is put to the best use by the industrial concern.

(2) Where one of the conditions imposed under sub-section (1) is that a director shall be appointed by the Financial Corporation on the board of directors of the industrial concern to protect the interests of the Financial Corporation, such condition shall be a valid condition notwithstanding anything contained in the Indian Companies Act, 1913 (VII of 1913), or in any other law for the time being in force or in any instrument relating to the industrial concern.

28. Prohibited business.—The Financial Corporation shall not—

- (a) accept deposits, except as provided by this Act;
- (b) subscribe directly to the shares or stock of any company.

Provided that nothing in clause (b) shall affect the right of the Financial Corporation to acquire any shares, bonds or debentures of a company in fulfilment of any underwriting agreement entered into by the Financial Corporation;

- (c) grant any loan or advance on the security of its own shares.

29. Rights of Financial Corporation in case of default.—(1) Where any industrial concern, which is under a liability to the Financial Corporation under an agreement, makes any default in repayment of any loan or advance or any instalment thereof or otherwise fails to comply with the terms of its agreement with the Financial Corporation, the Financial Corporation shall have the right to take over the management of the industrial concern, as well as the right to sell and realise the property pledged, mortgaged, hypothecated or assigned to the Financial Corporation.

(2) Any transfer of property made by the Financial Corporation, in exercise of its powers of sale and realisation under sub-section (1), shall vest in the transferee all rights in or to the property transferred as if the sale had been made by the owner of the property.

(3) The Financial Corporation shall have the same rights and powers with respect to goods manufactured or produced wholly or partly from goods forming part of the security held by it as it had with respect to the original goods.

(4) Where any property is sold or realised by the Financial Corporation under the provisions of this section, the money which is received by it from such sale or realisation shall, in the absence of any contract to the contrary, be held by the Financial Corporation in trust to be applied, first, in payment of all costs, charges and expenses properly incurred by it as incident to the said sale or realisation and, secondly, in discharge of the debt due to the Financial Corporation, and the residue of the money so received shall be paid to the person entitled thereto.

(5) Where the Financial Corporation takes over the management of an industrial concern under the provisions of sub-section (1), the Financial Corporation shall be deemed to be the owner of such concern, for the purposes of suits

by or against the concern, and shall sue and be sued in the name of the owner of the concern.

30. Power to call for repayment before agreed period.—Notwithstanding anything in any agreement to the contrary, the Financial Corporation may, by notice in writing, require any industrial concern to which it has granted any loan or advance to discharge forthwith in full its liabilities to the Financial Corporation,—

(a) if it appears to the Board that false or misleading information in any material particular was given by the industrial concern in its application for the loan or advance; or

(b) if the industrial concern has failed to comply with the terms of its contract with the Financial Corporation in the matter of the loan or advance, or

(c) if there is a reasonable apprehension that the industrial concern is unable to pay its debts or that proceedings for liquidation may be commenced in respect thereof, or

(d) if the property pledged, mortgaged, hypothecated or assigned to the Financial Corporation as security for the loan or advance is not insured and kept insured by the industrial concern to the satisfaction of the Financial Corporation or depreciates in value to such an extent that, in the opinion of the Board, further security to the satisfaction of the Board should be given and such security is not given; or

(e) if, without the permission of the Board, any machinery, plant or other equipment, whether forming part of the security or otherwise, is removed from the premises of the industrial concern without being replaced; or

(f) if for any reason it is necessary to protect the interests of the Financial Corporation.

31. Special provisions for enforcement of claims by Financial Corporation.—

(1) Where an industrial concern, in breach of any agreement, makes any default in repayment of any loan or advance or any instalment thereof or otherwise fails to comply with the terms of its agreement with the Financial Corporation or where the Financial Corporation requires an industrial concern to make immediate repayment of any loan or advance under section 30 and the industrial concern fails to make such repayment, any officer of the Financial Corporation, generally or specially authorised by the Board in this behalf, may apply to the district judge within the limits of whose jurisdiction the industrial concern carries on the whole or a substantial part of its business for one or more of the following reliefs, namely:—

(a) for an order for the sale of the property pledged, mortgaged, hypothecated or assigned to the Corporation as security for the loan or advance; or

(b) for transferring the management of the industrial concern to the Financial Corporation; or

(c) for an *ad interim* injunction restraining the industrial concern from transferring or removing its machinery or plant or equipment from the premises of the industrial concern without the permission of the Board, where such removal is apprehended.

(2) An application under sub-section (1) shall state the nature and extent of the liability of the industrial concern to the Financial Corporation, the ground on which it is made and such other particulars as may be prescribed.

32. Procedure of district judge in respect of applications under section 31.—(1) When the application is for the reliefs mentioned in clauses (a) and (c) of sub-section (1) of section 31, the district judge shall pass an *ad interim* order attaching the security, or so much of the property of the industrial concern as would on being sold realise in his estimate an amount equivalent in value to the outstanding liability of the industrial concern to the Financial Corporation, together with the costs of the proceedings taken under section 31, with or without an *ad interim* injunction restraining the industrial concern from transferring or removing its machinery, plant or equipment.

(2) When the application is for the relief mentioned in clause (b) of sub-section (1) of section 31, the district judge shall grant an *ad interim* injunction restraining the industrial concern from transferring or removing its machinery, plant or equipment and issue a notice calling upon the industrial concern to show cause, on a date to be specified in the notice, why the management of the industrial concern should not be transferred to the Financial Corporation.

(3) Before passing any order under sub-section (1) or sub-section (2), the district judge may, if he thinks fit, examine the officer making the application.

(4) At the same time as he passes an order under sub-section (1), the district judge shall issue to the industrial concern a notice accompanied by copies of the order, the application and the evidence, if any, recorded by him calling upon it to show cause on a date to be specified in the notice why the *ad interim* order of attachment should not be made absolute or the injunction confirmed.

(5) If no cause is shown on or before the date specified in the notice under sub-sections (2) and (4), the district judge shall forthwith make the *ad interim* order absolute and direct the sale of the attached property or transfer the management of the industrial concern to the Financial Corporation or confirm the injunction.

(6) If cause is shown, the district judge shall proceed to investigate the claim of the Financial Corporation in accordance with the provisions contained in the Code of Civil Procedure, 1908 (Act V of 1908), in so far as such provisions may be applied thereto.

(7) After making an investigation under sub-section (6), the district judge may—

(a) confirm the order of attachment and direct the sale of the attached property;

(b) vary the order of attachment so as to release a portion of the property from attachment and direct the sale of the remainder of the attached property;

(c) release the property from attachment;

(d) confirm or dissolve the injunction; or

(e) transfer the management of the industrial concern to the Financial Corporation or reject the claim made in this behalf:

Provided that when making an order under clause (c), the district judge may make such further orders as he thinks necessary to protect the interests

of the Financial Corporation and may apportion the costs of the proceedings in such manner as he thinks fit:

Provided further that unless the Financial Corporation intimates to the district judge that it will not appeal against any order releasing any property from attachment, such order shall not be given effect to, until the expiry of the period fixed under sub-section (9) within which an appeal may be preferred or, if an appeal is preferred, unless the High Court otherwise directs until the appeal is disposed of.

(8) An order of attachment or sale of property under this section shall be carried into effect as far as practicable in the manner provided in the Code of Civil Procedure, 1908 (Act V of 1908) for the attachment or sale of property in execution of a decree as if the Financial Corporation were the decree-holder.

(9) Any party aggrieved by an order under sub-section (5) or sub-section (7) may, within thirty days from the date of the order, appeal to the High Court, and upon such appeal the High Court may, after hearing the parties, pass such orders thereon as it thinks proper.

(10) Where proceedings for liquidation in respect of an industrial concern have commenced before an application is made under sub-section (1) of section 31, nothing in this section shall be construed as giving to the Financial Corporation any preference over the other creditors of the industrial concern not conferred on it by any other law.

(11) The functions of a district judge under this section shall, in a presidency-town, be exercised by the principal judge of the City civil court, if any, having jurisdiction or by the High Court.

CHAPTER IV

INVESTMENT OF FUNDS, ACCOUNTS AND AUDIT

33. Funds of the Financial Corporation.—(1) Every Financial Corporation shall have its own fund, and all receipts of the Financial Corporation shall be carried thereto and all payments by the Corporation shall be made therefrom.

(2) All moneys belonging to the fund shall be deposited in the Reserve Bank or with any agency of the Reserve Bank other than a Government treasury or in a scheduled bank in consultation with the Reserve Bank.

34. Investment of funds.—The Financial Corporation may invest its funds in the securities of the Central Government or of any State Government.

35. Disposal of profits.—(1) The Financial Corporation shall establish a reserve fund.

(2) After making provision for bad and doubtful debts, depreciation of assets and all other matters which are usually provided for by banking companies, the Financial Corporation may out of its net annual profits declare a dividend:

Provided that for so long as the reserve fund is less than the paid-up share capital of the Financial Corporation and until there has been repaid to the State Government such sum, if any, as that Government may have paid under guarantee given in pursuance of section 6, or under any guarantee given in pursuance of sub-section (2) of section 7, the rate of such dividend shall not exceed the rate guaranteed by the State Government under section 6

(3) Notwithstanding anything contained in this section, no dividend paid under this section shall under any circumstances exceed the rate of five per

cent. per annum and if, in respect of any financial year after the reserve fund becomes equal to the share capital of the Financial Corporation, there is a surplus in the net profits after declaring a dividend at the rate specified in this sub-section, such surplus shall be paid to the State Government.

36. General meetings.—(1) A general meeting (hereinafter referred to as the annual general meeting) shall be held annually at a place in the State where there is an office of the Financial Corporation within two months from the date on which the annual accounts of the Financial Corporation are closed, and a general meeting may be convened by the Board at any other time.

(2) The shareholders present at the annual general meeting shall be entitled to discuss the annual accounts, the report of the Board on the working of the Financial Corporation throughout the year and the auditor's report on the annual balance-sheet and accounts.

37. Audit.—(1) The affairs of the Financial Corporation shall be audited by not less than two auditors duly qualified to act as auditors of companies under sub-section (1) of section 144 of the Indian Companies Act, 1913 (VII of 1913), one of whom shall be appointed by the State Government in consultation with the Comptroller and Auditor-General of India and the other elected in the prescribed manner by the parties mentioned in clauses (c) and (d) of sub-section (3) of section 4, and such remuneration as the State Government may fix shall be paid to the auditors by the Financial Corporation.

(2) Every auditor shall be supplied with a copy of the annual balance-sheet of the Financial Corporation, and it shall be his duty to examine it, together with the accounts and vouchers relating thereto, and every auditor shall have a list delivered to him of all books kept by the Financial Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Financial Corporation and may in relation to such accounts examine any director or officer of the Financial Corporation.

(3) The auditors shall make a report to the shareholders upon the annual balance-sheet and accounts, and in every such report they shall state whether in their opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of affairs of the Financial Corporation, and in case they had called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(4) The State Government may, in consultation with the Comptroller and Auditor-General of India, at any time issue directions to the auditors, requiring them to report to it upon the adequacy of measures taken by the Financial Corporation for the protection of its shareholders and creditors or upon the sufficiency of their procedure in auditing the affairs of the Financial Corporation and may enlarge or extend the scope of the audit or direct that a different procedure in audit be adopted, or direct that any other examination be made by the auditors, if in its opinion public interest so requires.

(5) The Financial Corporation shall send a copy of every report of the auditors to the Comptroller and Auditor-General of India at least one month before it is placed before the shareholders.

(6) Notwithstanding anything contained in the preceding sub-sections, the Comptroller and Auditor-General of India may, either of his own motion or on a

request received in this behalf from a State Government, undertake such audit and at such times as he may consider necessary:

Provided that where the State Government is required to make any payment on account of the guarantee given by it under section 6 or sub-section (2) of section 7, as the case may be, such audit shall be undertaken by the Comptroller and Auditor-General of India.

(7) Every audit report under sub-section (6) shall be forwarded to the State Government and the Government shall cause the same to be laid before the Legislature of the State.

38. Returns.—(1) The Financial Corporation shall furnish a statement, in the prescribed form, of its assets and liabilities as at the close of business on the last Friday of each month or, if that day is a public holiday under the Negotiable Instruments Act, 1881 (XXVI of 1881), as at the close of business on the preceding working day to the State Government and to the Reserve Bank within ten days from the date to which the statement relates.

(2) The Financial Corporation shall furnish in the prescribed form to the State Government and to the Reserve Bank once every three months or, as frequently as the State Government or the Reserve Bank may require a statement showing the classification of its loans and investments and of all loans guaranteed by it and underwriting agreements entered into by it.

(3) The Financial Corporation shall furnish to the State Government and to the Reserve Bank within three months of the close of each financial year a statement in the prescribed form of its assets and liabilities as at the close of that year, together with a profit and loss account for the year, the auditors' report and a report of the working of the Financial Corporation during the year and copies of the said statement, account and reports shall be published in the Official Gazette and shall also be laid before the Legislature of the State.

CHAPTER V

MISCELLANEOUS

39. Power to give instructions to Financial Corporation on questions of policy.—(1) In the discharge of its functions, the Board shall be guided by such instructions on questions of policy as may be given to it by the State Government.

(2) If any dispute arises between the State Government and the Board as to whether a question is or is not a question of policy, the decision of the State Government shall be final.

(3) If the Board fails to carry out the instructions on the question of policy laid down by the State Government, the State Government shall have the power to supersede the Board and appoint a new Board in its place to function until a properly constituted Board is set up, and the decision of the State Government as to the grounds for superseding the Board shall not be questioned in any court.

40. Declaration of fidelity and secrecy.—Every director, auditor, officer or other employee of the Financial Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule.

41. Indemnity of directors.—(1) Every director shall be indemnified by the Financial Corporation against all losses and expenses incurred by him in the

discharge of his duties except such as are caused by his own wilful act or default.

(2) A director shall not be responsible for any other director or for any officer or other employee of the Financial Corporation or for any loss or expenses resulting to the Financial Corporation by the insufficiency or deficiency of value of or title to any property or security acquired or taken on behalf of the Financial Corporation or by the wrongful act of any person under obligation to the Financial Corporation or by anything done in good faith in the execution of the duties of his office or in relation thereto.

42. Offences.—(1) Whoever, in any bill of lading, warehouse receipt or other document given to the Financial Corporation, whereby security is given or is purported to be given to the Financial Corporation for any accommodation granted by it under this Act, wilfully makes any false statement or knowingly permits any false statement to be made shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

(2) Whoever, without the consent in writing of the Financial Corporation uses the name of the Financial Corporation in any prospectus or advertisement shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(3) No court shall take cognizance of any offence punishable under this Act otherwise than on a complaint in writing signed by an officer of the Financial Corporation authorised by the Board in this behalf.

43 Provisions relating to income-tax and super-tax.—For the purposes of the Indian Income-tax Act, 1922 (XI of 1922), the Financial Corporation shall be deemed to be a company within the meaning of that Act and shall be liable to income-tax and super-tax accordingly on its income, profits and gains.

Provided that any sum paid by the State Government under the guarantee given in pursuance of section 6 or under any guarantee given in pursuance of sub-section (2) of section 7 shall not be treated as the income, profits and gains of the Financial Corporation and any interest on debentures or bonds paid by the Financial Corporation out of such sum shall not be treated as expenditure incurred by it.

Provided further that in the case of any shareholder such portion of a dividend as has been paid out of any such sum advanced by the State Government shall be deemed to be its income from "interest on securities" declared to be income-tax free within the meaning of section 8 of that Act.

44. Act XVIII of 1891 to apply to the books of the Financial Corporation—The Financial Corporation shall be deemed to be a bank for the purposes of the Bankers Books Evidence Act, 1891 (XVIII of 1891).

45. Liquidation of Financial Corporation.—No provision of law relating to the winding-up of companies or corporations shall apply to the Financial Corporation, and the Financial Corporation shall not be placed in liquidation, save by order of the State Government and in such manner as it may direct.

46. Power to apply Act to certain financial institutions in existence at commencement of Act.—(1) The Central Government may by notification in the Official Gazette, direct that all or any of the provisions of this Act shall, subject to such exceptions and restrictions as may be specified, apply to any institution in existence at the commencement of this Act which has for its object the

financing of industrial concerns, and on the issue of such notification, the institution shall be deemed to be a Financial Corporation established by the State Government for the State within the meaning of this Act, and the provisions of this Act shall become applicable thereto according to the tenor of the notification

(2) Any notification issued under sub-section (1) may suspend the operation of any enactment applicable to any such institution immediately before the issue of the notification.

47. Power of State Government to make rules.—The State Government may make rules not inconsistent with the provisions of this Act to give effect to the provisions of this Act and in particular, such rules may provide for the limitation on the voting rights of a shareholder and the manner in which such voting rights may be exercised and where there is any inconsistency between the rules and the regulations made under this Act, the rules shall prevail.

48. Power of Board to make regulations.—(1) The Board may, after consultation with the Reserve Bank and with the previous sanction of the State Government, make regulations not inconsistent with this Act and the rules made thereunder to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) the holding and conduct of elections under this Act, including the final decision on doubts or disputes regarding the validity of elections,

(b) the manner in which, and the conditions subject to which, the first allotment of the shares of the Financial Corporation shall be made;

(c) the manner in which, and the conditions subject to which, the shares of the Financial Corporation may be held and transferred and generally all matters relating to the rights and duties of shareholders;

(d) the manner in which general meetings shall be convened, the procedure to be followed thereat and the manner in which voting rights may be exercised;

(e) the calling of meetings of the Board and of the Executive Committee, fees for attending meetings thereof and the conduct of business thereat;

(f) the manner and terms of issue and repayment of bonds and debentures by the Financial Corporation;

(g) the conditions which the Financial Corporation may impose in granting loans or advances;

(h) the manner of determining the sufficiency of the security taken under sub-section (2) of section 25;

(i) the forms of returns and statements required under this Act;

(j) the duties and conduct of officers, other employees, advisers and agents of the Financial Corporation;

(k) the establishment and maintenance of provident or other benefit funds for employees of the Financial Corporation;

(l) the taking over of the management of any industrial concern on a breach of its agreement with the Financial Corporation;

(m) the appointment of advisory committees for technical and other advice for the purposes of this Act; and

(n) generally, the efficient conduct of the affairs of the Financial Corporation.

(3) All regulations made under this section shall be published in the Official Gazette and shall come into force on such publication.

THE SCHEDULE

(See section 40)

DECLARATION OF FIDELITY AND SECRECY

I,....., do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as a director, officer, employee or auditor (as the case may be) of the Financial Corporation and which properly relate to any office or position in the said Financial Corporation held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Financial Corporation, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Financial Corporation and relating to the business of the Financial Corporation.

Signature.

Signed before me:

THE EVACUEE INTEREST (SEPARATION) ACT, 1951

No. LXIV of 1951

An Act to make special provisions for the separation of the interests of evacuees from those of other persons in property in which such other persons are also interested and for matters connected therewith.

[81st October, 1951]

WHEREAS it is expedient to make special provisions for the separation of the interests of evacuees from those of other persons in property in which such other persons are also interested and for matters connected therewith;

AND WHEREAS some of the aforesaid provisions may relate to certain matters in the State List and Parliament is empowered, in pursuance of a Resolution passed under article 249 of the Constitution, to make such laws,

BE it therefore enacted by Parliament as follows:—

CHAPTER I

PRELIMINARY

1. Short title and extent.—(1) This Act may be called the Evacuee Interest (Separation) Act, 1951.

(2) It extends to the whole of India except the States of Assam, West Bengal, Tripura, Manipur and Jammu and Kashmir.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) “appellate officer” means an officer appointed as such by the State Government under section 18;

(b) “claim” means the assertion by any person, not being an evacuee, of any right, title or interest in any property—

(i) as a co-sharer or partner of an evacuee in the property; or

(ii) as a mortgagee of the interest of an evacuee in the property; or

(iii) as a mortgagor having mortgaged the property or any interest therein in favour of an evacuee;

and includes any other interest which such person may have jointly with an evacuee and which is notified in this behalf by the Central Government in the Official Gazette;

(c) “competent officer” means an officer appointed as such by the State Government under section 4;

(d) “composite property” means any property which, or any property in which an interest, has been declared to be evacuee property or has vested in the Custodian under the Administration of Evacuee Property Act, 1950 (XXXI of 1950) and—

(i) in which the interest of the evacuee consists of an undivided share in the property held by him as a co-sharer or partner of any other person, not being an evacuee; or

(ii) in which the interest of the evacuee is subject to mortgage in any form in favour of a person, not being an evacuee; or

(iii) in which the interest of a person, not being an evacuee, is subject to mortgage in any form in favour of an evacuee; or

(iv) in which an evacuee has such other interest jointly with any other person, not being an evacuee, as may be notified in this behalf by the Central Government, in the Official Gazette;

(e) “evacuee interest”, in relation to a composite property, means the right, title and interest of an evacuee in that property;

(f) “mortgage debt” means any liability in respect of a property due under any form of mortgage (including any usufructuary mortgage or mortgage by conditional sale) whether such liability is payable

presently or in future, or under any decree or order of a court or otherwise, or whether ascertained or not, which—

(i) in any case where it is incurred by an evacuee, is secured by the mortgage of the interest of the evacuee in the property in favour of a person, not being an evacuee;

(ii) in any case where it is incurred by a person not being an evacuee, is secured by the mortgage of the interest of such person in the property in favour of an evacuee;

but does not include any such liability of an evacuee arising out of any transaction entered into after the 14th day of August, 1947 unless such transaction has been confirmed by the Custodian under the Administration of Evacuee Property Act, 1950 (XXXI of 1950);

(g) "prescribed" means prescribed by rules made under this Act;

(h) "principal money", in relation to a mortgage deed executed by an evacuee, means—

(i) in the case of a mortgage deed which has not been executed by way of renewal of a prior mortgage deed, the sum of money advanced by way of loan at the time of the execution of the mortgage deed;

(ii) in the case of a mortgage deed which has been executed at any time before the 1st day of January, 1940, by way of renewal of a prior mortgage deed, the consideration for which the renewed mortgage deed was executed;

(iii) in the case of a mortgage deed which has been executed at any time after the 1st day of January, 1940, by way of renewal of a prior mortgage deed executed before that date, the sum of money which became due on the 1st day of January, 1940, on account of the money advanced on the prior mortgage deed and interest thereon up to the said date;

(iv) in the case of a mortgage deed which was executed at any time after the 1st day of January, 1940, by way of renewal of a prior mortgage deed which was also executed after that date, the sum of money advanced by way of loan at the time of the execution of the prior mortgage deed;

Explanation.—For the purpose of calculating the principal money in relation to any mortgage deed which has been executed by way of renewal of a prior mortgage deed, any sum of money advanced at the time of such renewal in addition to the sum of money which was due on the prior mortgage deed shall also be taken into account.

(i) all words and expressions used, but not defined in this Act and defined in the Administration of Evacuee Property Act, 1950 (XXXI of 1950), shall have the meanings assigned to them in that Act.

3. Act to override other laws.—Save as otherwise expressly provided in this Act, the provisions of this Act and of the rules and orders made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any such law

CHAPTER II

SEPARATION OF EVACUEE INTEREST IN COMPOSITE PROPERTY

4. Power to appoint competent officers.—(1) The State Government may, with the approval of the Central Government, by notification in the Official Gazette, appoint as many competent officers as may be necessary for the purpose of performing the functions assigned to them by or under this Act, and a competent officer may perform his functions in such local area or areas as may be specified in the notification.

(2) No person shall be qualified to be appointed as a competent officer under this Act unless he has held a judicial office for at least five years, or has been an advocate or a pleader for at least seven years.

5. Jurisdiction of competent officers.—A competent officer shall have jurisdiction to decide any claim relating to any composite property situate within the limits of the local area of his jurisdiction and such cases or classes of cases as may, by general or special order, be transferred to him under section 19 by the Central Government or the appellate officer.

6. Notice to submit claims.—(1) For the purpose of determining or separating the evacuee interest in a composite property, any competent officer having jurisdiction over such property may, either on information received in this behalf from the Custodian or on an application from a claimant, issue, in such form and manner as may be prescribed,—

(a) a general notice requiring all persons who claim interest in such property, and

(b) also a notice on every person who, in the opinion of the competent officer, may have a claim in such property, to submit claims, if any, in respect of that property.

(2) An application under sub-section (1) shall be in such form and manner as may be prescribed.

7. Submission of claims.—(1) Any person claiming an interest in a composite property may, within sixty days of the date of the issue of the general notice or service of individual notice under section 6, whichever is later, submit to the competent officer a statement of his claim in writing and signed and verified in the prescribed manner:

Provided that the competent officer may entertain the claim after the expiry of the said period of sixty days if he is satisfied that the claimant was prevented by sufficient cause from filing the claim in time.

(2) A statement of claim under sub-section (1) shall be drawn up, as far as may be, in the form of pleadings under the Code of Civil Procedure, 1908 (Act V of 1908) and shall include the following particulars, namely:—

(a) the nature of the interest of the claimant in the composite property;

(b) the estimated money value of the composite property;

(c) where the claim is made by a co-sharer or partner, the extent of the share of the claimant and the money value of such share;

(d) where the claim is made by a mortgagee,—

(i) the principal money and the rate of interest chargeable under the mortgage deed;

- (ii) payments made towards the mortgage debt after the principal money was advanced or deemed to have been advanced;
- (iii) the history of the mortgage debt in so far as it is relevant to the determination of the principal money;
- (iv) particulars of the property mortgaged and the estimated value of such property;
- (v) particulars of any property the possession of which has been taken by the mortgagee as security for, or in lieu of payment of, the mortgage debt;
- (vi) the total amount claimed under the mortgage debt in accordance with the provisions of this Act;
- (e) where the claim is made by a mortgagor, the total amount due under the mortgage debt and the particulars necessary to determine the same;
- (f) the order of preference in which the claimant desires to have his interest separated from that of the evacuee under section 10,
- (g) any other particulars which may be prescribed.

(3) The claimant shall, along with the submission of claim under sub-section (1), file true copies of all documents in his possession or power on which the claim is based and a list of any other documents (whether in his possession or power or not) on which he intends to rely as evidence in support of his claim; and the claimant shall, whenever required to do so by the competent officer, produce all the documents of which true copies have been filed and also the documents in his possession or power which have been entered in the list.

(4) No document which should have been but has not been filed in accordance with the requirements of sub-section (3), shall be received at any stage of the proceedings without the leave of the competent officer.

8. Decision by competent officer.—(1) On receipt of a statement of claim under section 7, the competent officer shall, subject to the provisions of sub-sections (2) and (3), hold an inquiry into the claim in accordance with the procedure laid down in section 17 and pass an order determining the interest of the evacuee and the claimant in the property in question and the order shall contain all or any of the following particulars, namely:—

- (a) the money value of the property,
- (b) in any case where the evacuee and the claimant are co-sharers or partners, their respective shares in the property and the money value of such shares;
- (c) in any case where the claim is made by a mortgagor, the amount due to the evacuee,
- (d) in any case where the claim is made by a mortgagee, the amount due under the claim in accordance with the provisions of section 9.

(2) Where the Custodian under the Administration of Evacuee Property Act, 1950 (XXXI of 1950), has determined that the property in question or any interest therein is evacuee property, the decision of the Custodian shall be binding on the competent officer:

Provided that nothing contained in this sub-section shall debar the competent officer from determining the mortgage debt in respect of such

property or any interest therein or from separating the interest of the evacuee from that of the claimant under section 10.

(3) If there is any dispute as to whether a liability is a mortgage debt or not or whether any claim submitted under section 7 exists, the competent officer shall decide such dispute:

Provided that a decree of a civil court (other than an *ex parte* decree passed after the 14th day of August, 1947) shall, subject to the provisions of sections 9 and 10, be binding on the competent officer in respect of any matter which has been finally decided by such decree; and where any matter was decided by an *ex parte* decree passed by a civil court after the 14th day of August, 1947, the competent officer may decide such matter afresh and on such decision being made, the *ex parte* decree shall be deemed to have no effect.

9. Certain reliefs in respect of mortgaged property of evacuees.—(1) Notwithstanding anything to the contrary in any law or contract or any decree or order of a civil court or other authority, where the claim is made by a mortgagee, no mortgaged property of an evacuee shall, subject to the provisions of sub-section (2), be liable for the payment of interest at a rate exceeding five per cent per annum simple on the principal money advanced or deemed to have been advanced.

(2) Where a mortgagee has taken possession on any terms whatsoever of any agricultural land and is entitled to receive profits accruing from the land and to appropriate the same, every such mortgage shall be deemed to have taken effect as a complete usufructuary mortgage and shall be deemed to have been extinguished on the expiry of the period mentioned in the mortgage deed or twenty years, whichever is less, from the date of the execution of the mortgage deed, and if the aforesaid period has not expired and the mortgage debt has not been extinguished, the competent officer shall determine the mortgage debt due having regard to the proportion which the unexpired portion of that period bears to the total of that period.

10 Separation of the interests of evacuees from those of claimants in composite property.—Notwithstanding anything to the contrary in any law or contract or any decree or order of a civil court or other authority, the competent officer may, subject to any rules that may be made in this behalf, take all such measures as he may consider necessary for the purpose of separating the interests of the evacuees from those of the claimants in any composite property, and in particular may,—

(a) in the case of any claim of a co-sharer or partner,—

(i) direct the custodian to pay to the claimant the amount of money assessed in respect of his share in the composite property or deposit the same in a civil court having jurisdiction over such property and deliver possession of the property to the Custodian and the claimant may withdraw the amount in deposit in the civil court; or

(ii) transfer the property to the claimant on payment by him of the amount of money assessed in respect of the share of the evacuee in the property; or

(iii) sell the property and distribute the sale proceeds thereof between the Custodian and the claimant in proportion to the share of the evacuee and of the claimant in the property; or

(iv) partition the property according to shares of the evacuee and the claimant and deliver possession of the shares allotted to the evacuee and the claimant to the Custodian and the claimant respectively;

(b) in the case of any claim of a mortgagor or a mortgagee,—

(i) pay to the Custodian or the claimant the amount payable under the mortgage debt and redeem the mortgaged property; or

(ii) sell the mortgaged property for satisfaction of the mortgage debt and distribute the sale proceeds thereof; or

(iii) partition the property between the mortgagor and the mortgagee having regard to the share to which the mortgagee would be entitled in lieu of his claim;

(c) adopt a combination of all or some of the aforesaid measures:

Provided that before taking any measure under this section, the competent officer shall take into account the order of preference filed by the claimant under clause (f) of sub-section (2) of section 7; and in any case where the claimant is a mortgagor and tenders the amount due, the competent officer shall accept the same in full satisfaction of the mortgage debt.

11. Vesting of evacuee interest in the Custodian free from encumbrances and payments, etc., to be valid discharge from all claims.—(1) Where in respect of any property, notice under section 6 is issued but no claim is filed or found to exist or where any claim in respect of such property is found to exist and the competent officer separates the evacuee interest therein under section 10, the whole property, or, as the case may be, the evacuee interest in the property thus separated shall vest in the Custodian free from all encumbrances and liabilities and any payment, transfer or partition made or effected under section 10 in satisfaction of any claim in respect of the property shall be a full and valid discharge of all claims in respect of the property.

(2) The Custodian may take possession of any such property by evicting the claimant and other persons who may be in occupation thereof and may, for that purpose, use or cause to be used such force as may be necessary.

Provided that the Custodian shall not disturb the possession of any person (other than the claimant) who was in lawful possession of the property at the commencement of this Act and has continued in such possession.

12. Rights of claimants *inter se* and by other persons against claimants not to be affected.—Nothing in this Chapter shall prejudice any rights in respect of the property transferred or delivered, or payment made, to a claimant under the provisions of this Act which any other claimant or other person may be entitled by due process of law to enforce against the claimant to whom the property is delivered or transferred or the payment is made.

CHAPTER III

APPEAL, REVISION AND POWERS AND PROCEDURE OF COMPETENT OFFICERS AND APPELLATE OFFICERS

13. Power to appoint appellate officers.—(1) The State Government with the approval of the Central Government may, by notification in the Official Gazette, appoint as many appellate officers as may be necessary

for the purpose of hearing appeals against the orders of the competent officers and an appellate officer shall have jurisdiction over such local area or areas as may be specified in the notification.

(2) No person shall be qualified to be appointed as an appellate officer under this Act unless such person—

(a) is, or has been, or is qualified for appointment as, a Judge of a High Court; or

(b) is, or has been, a district judge.

14. Appeals.—(1) Any person aggrieved by an order of the competent officer made under section 8 or section 10 may, within sixty days from the date of the order, prefer an appeal to the appellate officer in such form and manner as may be prescribed:

Provided that the appellate officer may entertain the appeal after the expiry of the said period of sixty days if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) The appellate officer may, after hearing the appeal, confirm, vary or reverse the order appealed from and may pass such orders as he deems fit.

15. Power of revision of the Appellate Officer.—The appellate officer may at any time call for the record of any proceeding in which the competent officer has passed an order for the purpose of satisfying himself as to the legality or propriety of any such order and may pass such order in relation thereto as he thinks fit:

Provided that the appellate officer shall not pass an order under this section prejudicially to any person without giving him a reasonable opportunity of being heard.

16. Amendment of orders.—Clerical or arithmetical mistakes in orders passed by a competent officer or an appellate officer or errors arising therein from any accidental slip or omission, may, at any time, be corrected by the competent officer or the appellate officer either of his own motion or on an application received in this behalf from any of the parties.

17. Powers and procedure of competent officers and appellate officers.—(1) A competent officer or an appellate officer shall, for the purpose of holding any inquiry or hearing any appeal under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (Act V of 1908), when trying a suit in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) issuing commissions for the examination of witnesses;

(d) any other matter which may be prescribed;

and any proceeding before the competent officer or the appellate officer shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (Act XLV of 1860), and the competent officer or the appellate officer shall be deemed to be a civil court

within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(2) An appellate officer shall, subject to the provisions of this Act, have such further powers as are vested in a court under the Code of Civil Procedure, 1908 (Act V of 1908), when hearing an appeal.

(3) Subject to any rules made in this behalf, the competent officer and appellate officer shall follow the same procedure as a civil court does in regard to civil suits including recording of evidence and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908) shall, as far as may be, apply to such proceedings.

18. Finality of orders.—Save as otherwise expressly provided in this Act, every order made by any appellate officer or competent officer shall be final and shall not be called in question in any court by way of an appeal or revision or in any original suit, application or execution proceedings.

CHAPTER IV

MISCELLANEOUS

19. Power to transfer cases.—(1) The Central Government or the appellate officer may, by order in writing at any time, transfer any case pending before a competent officer to another competent officer for holding the inquiry and the competent officer to whom the case is so transferred may proceed either *de novo* or from the stage at which it was transferred.

(2) The Central Government or the State Government may, by order in writing at any time, transfer any appeal pending before an appellate officer to another appellate officer for hearing the appeal and the appellate officer to whom the appeal is so transferred may proceed either *de novo* or from the stage at which it was transferred.

20. Jurisdiction of civil courts barred in certain matters.—(1) Save as otherwise expressly provided in this Act, no civil or revenue court shall entertain any suit or proceeding in so far as it relates to any claim to composite property which the competent officer is empowered by or under this Act to decide, and no injunction in respect of any action taken or to be taken by the competent officer in respect of the composite property shall be granted by any civil court or other authority.

(2) All suits and proceedings pending before a civil or revenue court at the commencement of this Act shall, in so far as they relate to any claim filed before a competent officer under section 7, be stayed during the pendency of any proceeding under this Act.

(3) Nothing in sub-section (1) shall prevent any civil or revenue court from entertaining any suit or proceeding relating to any right in respect of any payment made, or property transferred or delivered, to a claimant under the provisions of this Act which any other claimant or other person may be entitled by due process of law to enforce against the claimant to whom the payment is made or the property is delivered or transferred.

21. Competent officer to be a public servant.—Every competent officer and appellate officer shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Act XLV of 1860).

22. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the appellate officer or the competent officer in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or orders made thereunder.

23. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form of any notice and the manner of its service;

(b) the form and manner in which an application may be filed under section 6;

(c) the form and manner in which claims may be submitted and the particulars which a statement of claim may contain;

(d) the manner in which inquiries under this Act may be held and the procedure to be followed by competent officers in such proceedings;

(e) the form and manner in which appeals may be preferred against the order of competent officers and the procedure to be followed by appellate officers;

(f) the powers vested in a civil court which may be exercised by the competent officers and appellate officers while holding an inquiry or hearing an appeal, as the case may be, under this Act;

(g) the manner of separating the interests of the evictees from those of claimants in any composite property;

(h) any other matter which has to be, or may be, prescribed under this Act.

THE INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

No. LXV OF 1951

An Act to provide for the development and regulation of certain industries.

[31st October, 1951]

Be it enacted by Parliament as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Industries (Development and Regulation) Act, 1951.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Declaration as to expediency of control by the Union.—It is hereby declared that it is expedient in the public interest that the Union should take under its control the industries specified in the First Schedule.

3. Definitions.—In this Act, unless the context otherwise requires,—

(a) "Advisory Council" means the Central Advisory Council established under section 5;

(b) "Development Council" means a Development Council established under section 6;

(c) "factory" means any premises, including the precincts thereof, in any part of which a manufacturing process is being carried on or is ordinarily so carried on—

(i) with the aid of power, provided that fifty or more workers are working or were working thereon on any day of the preceding twelve months; or

(ii) without the aid of power, provided that one hundred or more workers are working or were working thereon on any day of the preceding twelve months and provided further that in no part of such premises any manufacturing process is being carried on with the aid of power;

(d) "industrial undertaking" means any undertaking pertaining to a scheduled industry carried on in one or more factories by any person or authority including Government;

(e) "notified order" means an order notified in the Official Gazette;

(f) "owner" in relation to an industrial undertaking, means the person who, or the authority which, has the ultimate control over the affairs of the undertaking, and, where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent shall be deemed to be the owner of the undertaking;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "Schedule" means a Schedule to this Act;

(i) "scheduled industry" means any of the industries specified in the First Schedule.

4. Saving.—Nothing in this Act shall apply to an industrial undertaking if the capital invested therein does not exceed rupees one lakh.

CHAPTER II

THE CENTRAL ADVISORY COUNCIL AND DEVELOPMENT COUNCILS

5. Establishment and constitution of Central Advisory Council and its functions.—(1) For the purpose of advising it on matters concerning the development and regulation of scheduled industries, the Central Government may, by notified order, establish a Council to be called the Central Advisory Council.

(2) The Advisory Council shall consist of a Chairman and such other members, not exceeding thirty in number, all of whom shall be appointed by the Central Government from among persons who are in its opinion capable of representing the interests of—

(a) owners of industrial undertakings in scheduled industries;

(b) persons employed in industrial undertakings in scheduled industries;

(c) consumers of goods manufactured or produced by scheduled industries;

(d) such other class of persons including primary producers, as in the opinion of the Central Government, ought to be represented on the Advisory Council.

(3) The term of office of, the procedure to be followed in the discharge of their functions by, and the manner of filling casual vacancies among, members of the Advisory Council, shall be such as may be prescribed.

(4) The Central Government shall consult the Advisory Council in regard to—

(a) the making of any rules, other than the first rules to be made under sub-section (3);

(b) the exercise by the Central Government of any of the powers conferred upon it under section 16 or sub-section (1) of section 17; and may consult the Advisory Council in regard to any other matter connected with the administration of this Act in respect of which the Central Government may consider it necessary to obtain the advice of the Advisory Council.

6. Establishment and constitution of Development Councils and their functions.—(1) The Central Government may, by notified order, establish for any scheduled industry or group of scheduled industries, a body of persons to be called a Development Council which shall consist of members who in the opinion of the Central Government are—

(a) persons capable of representing the interests of owners of industrial undertakings in the scheduled industry or group of scheduled industries;

(b) persons having special knowledge of matters relating to the technical or other aspects of the scheduled industry or group of scheduled industries;

(c) persons capable of representing the interests of persons employed in industrial undertakings in the scheduled industry or group of scheduled industries;

(d) persons not belonging to any of the aforesaid categories, who are capable of representing the interests of consumers of goods manufactured or produced by the scheduled industry or group of scheduled industries.

(2) The number and the term of office of, and the procedure to be followed in the discharge of their functions by, and the manner of filling casual vacancies among members of a Development Council shall be such as may be prescribed.

(3) Every Development Council shall be, by virtue of this Act, a body corporate by such name as may be specified in the notified order establishing it, and may hold and transfer property and shall by the said name sue and be sued

(4) A Development Council shall perform such functions of a kind specified in the Second Schedule as may be assigned to it by the Central Government and for whose exercise by the Development Council it appears to the Central Government expedient to provide in order to increase the efficiency or productivity in the scheduled industry or group of scheduled industries for which the Development Council is established, to improve or develop the service, that such industry or group of industries renders or could render to the community, or to enable such industry or group of industries to render such service more economically.

(5) A Development Council shall also perform such other functions as it may be required to perform by or under any other provision of this Act.

7. Reports and accounts of Development Councils.—(1) A Development Council shall prepare and transmit to the Central Government and the Advisory Council, annually, a report setting out what has been done in the discharge of its functions during the financial year last completed.

(2) The report shall include a statement of the accounts of the Development Council for that year, and shall be transmitted as soon as accounts therefor have been audited, together with a copy of any report made by the auditors on the accounts.

(3) The statement of account shall be in such form as may be prescribed, being a form which shall conform to the best commercial standards, and the statement shall show the total of remuneration and allowances paid during the year to members and officers of the Council.

(4) A copy of each such report of a Development Council, or made by the auditors on its accounts, shall be laid before Parliament by the Central Government.

8. Dissolution of Development Councils.—(1) The Central Government may, if it is satisfied that a Development Council should cease to continue in being, by notified order, dissolve that Development Council.

(2) On the dissolution of a Development Council under sub-section (1), the assets of the Development Council, after its liabilities, if any, are met therefrom, shall vest in the Central Government for the purposes of this Act.

9. Imposition of cess on scheduled industries in certain cases.—(1) There may be levied and collected as a cess for the purposes of this Act on all goods manufactured or produced in any such scheduled industry as may be specified in this behalf by the Central Government by notified order a duty of excise at such rate as may be specified in the notified order, and different rates may be specified for different goods or different classes of goods:

Provided that no such rate shall in any case exceed two annas per cent of the value of the goods.

Explanation—In this sub-section, the expression "value" in relation to any goods shall be deemed to be the wholesale cash price for which such goods of the like kind and quality are sold or are capable of being sold for

delivery at the place of manufacture and at the time of their removal therefrom, without any abatement or deduction whatever except trade discount and the amount of duty then payable.

(2) The cess shall be payable at such intervals, within such time and in such manner as may be prescribed, and any rules made in this behalf may provide for the grant of a rebate for prompt payment of the cess.

(3) The said cess may be recovered in the same manner as an arrear of land revenue.

(4) The Central Government may hand over the proceeds of the cess collected under this section in respect of the goods manufactured or produced by any scheduled industry or group of scheduled industries to the Development Council established for that industry or group of industries, and where it does so, the Development Council shall utilise the said proceeds—

(a) to promote scientific and industrial research with reference to the scheduled industry or group of scheduled industries in respect of which the Development Council is established;

(b) to promote improvements in design and quality with reference to the products of such industry or group of industries;

(c) to provide for the training of technicians and labour in such industry or group of industries;

(d) to meet such expenses in the exercise of its functions and its administrative expenses as may be prescribed.

CHAPTER III

REGULATION OF SCHEDULED INDUSTRIES

10. Registration of existing industrial undertakings.—(1) The owner of every existing industrial undertaking and the owner of any industrial undertaking for the establishment of which effective steps have been taken, not being the Central Government, shall, within a period of six months from the commencement of this Act, register the undertaking in the prescribed manner.

(2) The Central Government shall also cause to be registered in the same manner every existing industrial undertaking of which it is the owner.

11. Licensing of new industrial undertakings.—(1) No person or authority other than the Central Government, shall, after the commencement of this Act, establish any new industrial undertaking, except under and in accordance with a licence issued in that behalf by the Central Government:

Provided that a Government other than the Central Government may, with the previous permission of the Central Government, establish a new industrial undertaking.

(2) A licence or permission under sub-section (1) may contain such conditions including, in particular, conditions as to the location of the undertaking and the minimum standards in respect of size to be provided therein as the Central Government may deem fit to impose in accordance with the rules, if any, made under section 80.

12. Revocation and amendment of licences in certain cases.—(1) If the Central Government is satisfied, either on a reference made to it in this behalf or otherwise, that any person or authority, to whom or to which, a

licence has been issued under section 11, has, without reasonable cause, failed to establish or to take effective steps to establish the new industrial undertaking in respect of which the licence has been issued within the time specified therefor or within such extended time as the Central Government may think fit to grant in any case, it may revoke the licence.

(2) Subject to any rules that may be made in this behalf, the Central Government may also vary or amend any licence issued under section 11.

Provided that no such power shall be exercised after effective steps have been taken to establish the new industrial undertaking in accordance with the licence issued in this behalf.

13. Licensing of substantial expansions of industrial undertakings.—The provisions of sections 11 and 12 shall apply in relation to the effecting of any substantial expansion of an industrial undertaking as they apply in relation to the establishing of any new industrial undertaking.

Explanation.—For the purposes of this section “substantial expansion” means the expansion of an existing industrial undertaking which is of such a nature as to amount virtually to a new industrial undertaking, but does not include any such expansion as is normal to the undertaking having regard to its nature and the circumstances relating to such expansion.

14. Procedure for the grant of licence or permission.—Before granting any licence or permission under section 11 or section 13, the Central Government may require such officer or authority as it may appoint for the purpose, to make a full and complete investigation in respect of applications received in this behalf and report to it the result of such investigation and in making any such investigation, the officer or authority shall follow such procedure as may be prescribed.

15. Power to cause investigation to be made into scheduled industries or industrial undertakings.—Where the Central Government is of the opinion that—

(a) in respect of any scheduled industry or industrial undertaking or undertakings—

(i) there has been, or is likely to be, a substantial fall in the volume of production in respect of any article or class of articles relatable to that industry or manufactured or produced in the industrial undertaking or undertakings, as the case may be; for which, having regard to the economic conditions prevailing, there is no justification; or

(ii) there has been, or is likely to be, a marked deterioration in the quality of any article or class of articles relatable to that industry or manufactured or produced in the industrial undertaking or undertakings, as the case may be, which could have been or can be avoided; or

(iii) there has been or is likely to be a rise in the price of any article or class of articles relatable to that industry or manufactured or produced in the industrial undertaking or undertakings, as the case may be, for which there is no justification; or

(iv) it is necessary to take any such action as is provided in this Chapter for the purpose of conserving any resources of national importance which are utilised in the industry or the industrial undertaking or undertakings, as the case may be; or

(b) any industrial undertaking is being managed in a manner likely to cause serious injury or damage to the interests of the consumers or a substantial body thereof, for whom the articles or any class of articles manufactured or produced therein are or is intended;

the Central Government may make or cause to be made a full and complete investigation into the circumstances of the case by such person or body of persons as it may appoint for the purpose.

16 Powers of Central Government on completion of investigation under section 15.—(1) If after making or causing to be made any such investigation as is referred to in section 15 the Central Government is satisfied that action under this section is desirable, it may issue such directions to the industrial undertaking or undertakings concerned as may be appropriate in the circumstances for all or any of the following purposes, namely:—

(a) regulating the production of any article or class of articles by the industrial undertaking or undertakings and fixing the standards of production;

(b) requiring the industrial undertaking or undertakings to take such steps as the Central Government may consider necessary to stimulate the development of the industry to which the undertaking or undertakings relates or relate;

(c) prohibiting the industrial undertaking or undertakings from resorting to any act or practice which might reduce its or their production, capacity or economic value;

(d) controlling the prices, or regulating the distribution, of any article or class of articles which have been the subject matter of investigation.

(2) Where a case relating to any industry or industrial undertaking or undertakings is under investigation, the Central Government may issue at any time any direction of the nature referred to in sub-section (1) to the industrial undertaking or undertakings concerned, and any such direction shall have effect until it is varied or revoked by the Central Government.

17. Special provisions for direct control by Central Government in certain cases.—(1) If after a direction has been issued in pursuance of section 16, the Central Government is of opinion that the direction has not been complied with and that any industrial undertaking in respect of which the direction has been issued is being managed in a manner highly detrimental to the scheduled industry concerned or to the public interest, the Central Government may, by notified order, authorise for a period not exceeding five years any person or a Development Council or any other body of persons (hereinafter referred to as the authorised person) either to take over the management of the whole or any part of the undertaking in supersession of any other person or body of persons in charge thereof or to exercise with respect to the whole or any part of such undertaking such functions of control as may be provided by that order.

(2) Where the authorised person has been authorised to take over the management of the industrial undertaking, he shall take all such steps as may be necessary to take into his custody or under his control all the property, effects and actionable claims to which the industrial undertaking is or appears to be entitled, and all the property and effects of the industrial

undertaking shall be deemed to be in the custody of the authorised person as from the date of the notified order.

(3) Where the authorised person has been authorised to exercise any functions of control in relation to an industrial undertaking, the undertaking shall be carried on in accordance with any directions given by the authorised person in accordance with the provisions of the notified order and any person having any functions of management in relation to the undertaking or part thereof shall comply with any such directions.

(4) The authorised person shall in all cases exercise his functions in accordance with any instructions given to him by the Central Government, so, however, that he shall not have any power to give to any other person any directions under this section inconsistent with the provisions of any Act or instrument determining the functions of the authority carrying on the undertaking except in so far as may be specifically provided by the order.

(5) If at any time it appears to the Central Government on the application of the owner of the industrial undertaking or otherwise, that the purpose of the order made under this section has been fulfilled or that for any other reason, it is not necessary that the order should remain in force, the Central Government may by notified order cancel such order and on the cancellation of any such order, the management or the control, as the case may be of the industrial undertaking shall vest in the owner of the undertaking.

(6) Any order made under this section shall have effect, notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument having effect by virtue of any enactment other than this Act.

18. Power of person or body of persons appointed under section 15 to call for assistance in any investigation.—(1) The person or body of persons appointed to make any investigation under section 15 may choose one or more persons possessing special knowledge of any matter relating to the investigation to assist him or it in holding the investigation.

(2) The person or body of persons so appointed shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908), for the purpose of taking evidence on oath (which he or it is hereby empowered to administer) and of enforcing the attendance of witnesses and compelling the production of documents and material objects, and the person or body of persons shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (Act V of 1898).

CHAPTER IV

MISCELLANEOUS

19. Powers of inspection.—(1) For the purpose of ascertaining the position or working of any industrial undertaking or for any other purpose mentioned in this Act or the rules made thereunder, any person authorised by the Central Government in this behalf shall have the right—

(a) to enter and inspect any premises;

(b) to order the production of any document, book, register or record in the possession or power of any person having the control of, or employed in connection with, any industrial undertaking; and

(c) to examine any person having the control of, or employed in connection with, any industrial undertaking.

(2) Any person authorised by the Central Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Act XLV of 1860).

20. General prohibition of taking over management or control of industrial undertakings.—After the commencement of this Act, it shall not be competent for any State Government or a local authority to take over the management or control of any industrial undertaking under any law for the time being in force which authorises any such Government or local authority so to do.

21. Certain administrative expenses of Development Councils to be paid from moneys provided by Parliament.—Such administrative expenses as relate to the emoluments of officers of a Development Council who are appointed by or with the approval of the Central Government, shall be defrayed out of moneys provided by Parliament.

22. Power of the Central Government to issue directions to Development Councils.—In the exercise of its functions under this Act, every Development Council shall be guided by such instructions as may be given to it by the Central Government and such instructions may include directions relating to the manner in which, and the purpose for which, any proceeds of the cess levied under section 9 which may have been handed over to it, shall be expended.

23. Questions relating to amount of capital invested in an undertaking to be decided by Central Government.—If, for the purpose of section 4, any question arises with respect to the amount of capital invested in an industrial undertaking, the decision of the Central Government thereon shall be final.

24. Penalties.—(1) Whoever contravenes or attempts to contravene, or abets the contravention of, the provisions of sub-section (1) of section 10 or of sub-section (1) of section 11, or of sub-section (1) of section 11 read with section 13, or of sub-section (3) of section 17 or of any direction issued under section 16, or of any rule the contravention of which is punishable under this section shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and, in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

(2) If the person contravening any of the said provisions is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (2), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director or manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.

25. Power to delegate.—The Central Government may, by notified order, direct that any power exercisable under this Act by it, other than the power specified in section 16 and sub-section (1) of section 17 may be exercised in such cases and subject to such conditions, if any, as may be specified in the order by such officer or authority (including in the said expressions any Development Council, State Government, officer or authority of the State Government) as may be specified in the direction.

26. Previous sanction of Central Government for prosecutions.—No prosecution for any offence punishable under section 24 shall be instituted except with the previous sanction of the Central Government.

27. Jurisdiction of courts.—No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under section 24.

28. Exemption in special cases.—The Central Government may, if satisfied that it is in the public interest so to do, exempt any scheduled industry or any industrial undertaking for such period as it may specify, from the operation of all or any of the provisions of this Act or any rules made thereunder.

29. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding, whatever, shall lie against any person for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

30. Power to make rules.—(1) The Central Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the constitution of the Advisory Council and Development Councils, the term of office and other conditions of service of, the procedure to be followed by, and the manner of filling casual vacancies among, members of the Advisory Council or a Development Council;

(b) the form of the statement of account to be furnished by a Development Council;

(c) the intervals at which, the time within which, and the manner in which the cess leviable under section 9 shall be payable and the rebate for the prompt payment of such cess;

(d) the expenses which a Development Council may meet from the proceeds of the cess levied under section 9 which may have been handed over to it;

(e) the appointment by or with the approval of the Central Government of any officers of a Development Council;

(f) the facilities to be provided by any industrial undertaking for the training of technicians and labour;

(g) the collection of any information or statistics in respect of any scheduled industry;

(h) the manner in which industrial undertakings may be registered under section 10 and the levy of a fee therefor;

(i) the procedure for the grant or issue of licences and permissions under section 11 or section 18, the time within which such licences or permissions shall be granted or issued including, in particular, the publication of notices calling for applications and the holding of such public inquiry in relation thereto as may be necessary in the circumstances;

(j) the fees to be levied in respect of licences and permissions issued under this Act;

(k) the matters which may be taken into account in the granting or issuing of licences and permissions, including in particular, the previous consultation by the Central Government with the Advisory Council or any Development Council or both in regard to the grant or issue of any such licences or permission,

(l) the procedure to be followed in making any investigation under this Act;

(m) the conditions which may be included in any licences and permissions;

(n) the conditions on which licences and permissions may be varied or amended under section 12;

(o) the maintenance of books, accounts and records relating to an industrial undertaking;

(p) the submission of special or periodical returns relating to an industrial undertaking by persons having the control of, or employed in connection with, such undertaking, and the forms in which, and the authorities to which, such returns and reports shall be submitted;

(q) any other matter which is to be or may be prescribed under this Act.

(3) Any rule made under this section may provide that a contravention thereof shall be punishable under section 24.

(4) All rules made under this section shall be laid for not less than seven days before Parliament as soon as possible after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid, or the session immediately following.

31. Application of other laws not barred.—The provisions of this Act shall be in addition to and not, save as otherwise expressly provided in this Act, in derogation of any other Central Act for the time being in force, relating to any of the scheduled industries.

32. Amendment of section 2, Act XIV of 1947.—In section 2 of the Industrial Disputes Act, 1947 (XIV of 1947),—

(a) in sub-clause (i) of clause (a), after the words “by a railway company” the words “or concerning any such controlled industry as may be specified in this behalf by the Central Government” shall be inserted;

(b) after clause (e), the following clause shall be inserted, namely:—

“(ee) “controlled industry” means any industry the control of which by the Union has been declared by any Central Act to be expedient in the public interest;”.

THE FIRST SCHEDULE

[See sections 2 and 3 (i)]

Any industry engaged in the manufacture or production of any of the following, namely:—

- (1) Aircraft.
- (2) Arms and ammunition.
- (3) Coal, including coke and other derivatives.
- (4) Iron and steel.
- (5) Mathematical and scientific instruments.
- (6) Motor and aviation fuel, kerosene, crude oils and synthetic oils.
- (7) Ships and other vessels propelled by the agency of steam, or by electricity or other mechanical power.
- (8) Sugar.
- (8) Telephones, telegraph apparatus and wireless communication apparatus.
- (10) Textiles made wholly or in part of cotton or jute.
- (11) Automobiles, including tractors.
- (12) Cement.
- (13) Electric lamps and fans.
- (14) Electric motors.
- (15) Heavy chemicals including fertilizers.
- (16) Heavy machinery used in industry including ball and roller bearing and gear wheels and parts thereof, boilers and steam generating equipment.
- (17) Locomotives and rolling stock.
- (18) Machine tools.
- (19) Machinery and equipment for the generation, transmission and distribution of electric energy.
- (20) Non-ferrous metals including alloys.

- (21) Paper including newsprint and paper board.
- (22) Pharmaceuticals and drugs.
- (23) Power and industrial alcohol.
- (24) Rubber goods.
- (25) Leather and leather goods.
- (26) Textiles made of wool.
- (27) Vanaspati and vegetable oils.
- (28) Agricultural implements.**
- (29) Batteries, dry cells and storage.
- (30) Bicycles, and parts thereof.
- (31) Hurricane lanterns.
- (32) Internal combustion engines.
- (33) Power-driven pumps.
- (34) Radio receivers.
- (35) Sewing and knitting machines.
- (36) Small and hand tools.
- (37) Glass and ceramics.

THE SECOND SCHEDULE

[See section 6(4)]

Functions which may be assigned to Development Councils:—

(1) Recommending targets for production, co-ordinating production programmes and reviewing progress from time to time.

(2) Suggesting norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs.

(3) Recommending measures for securing the fuller utilisation of the installed capacity and for improving the working of the industry, particularly of the less efficient units.

(4) Promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the industry which would be satisfactory to the consumer.

(5) Promoting standardisation of products.

(6) Assisting in the distribution of controlled materials and promoting arrangements for obtaining materials for the industry.

(7) Promoting or undertaking inquiry as to materials and equipment and as to methods of production, management and labour utilisation, including the discovery and development of new materials, equipment and methods and of improvements in those already in use, the assessment of the advantages of different alternatives and the conduct of experimental establishments and of tests on a commercial scale.

(8) Promoting the training of persons engaged or proposing engagement in the industry and their education in technical or artistic subjects relevant thereto.

(9) Promoting the retraining in alternative occupations of personnel engaged in or retrenched from the industry.

(10) Promoting or undertaking scientific and industrial research, research into matters affecting industrial psychology and research into matters relating to production and to the consumption or use of goods and services supplied by the industry.

(11) Promoting improvements and standardisation of accounting and costing methods and practice.

(12) Promoting or undertaking the collection and formulation of statistics.

(13) Investigating possibilities of decentralizing stages and processes of production with a view to encouraging the growth of allied small scale and cottage industries

(14) Promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provision and improvement of amenities and incentives for workers.

(15) Advising on any matters relating to the industry (other than remuneration and conditions of employment) as to which the Central Government may request the Development Council to advise and undertaking inquiries for the purpose of enabling the Development Council so to advise, and

(16) Undertaking arrangements for making available to the industry information obtained and for advising on matters with which the Development Councils are concerned in the exercise of any of their functions.

THE PART C STATES (MISCELLANEOUS LAWS) REPEALING ACT, 1951.

No. LXVI OF 1951.

An Act to repeal certain laws in force in certain Part C States.

[81st October, 1951]

BE it enacted by Parliament as follows :—

1. Short title.—This Act may be called the Part C States (Miscellaneous Laws) Repealing Act, 1951.

2. Repeal of certain laws of Part C States.—The laws described in column 2 of the Schedule whether by their short titles or as laws corresponding to certain specified enactments shall, in relation to the State specified in the corresponding entry in column 1, be repealed or be deemed to have been repealed with effect from the date specified in the corresponding entry in column 3.

3. Savings.—The repeal by this Act of any law shall not affect any other enactment in which the repealed law has been applied, incorporated or referred to ;

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred, or any remedy or proceeding in respect

thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing ;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office, or appointment, notwithstanding that the same respectively may have been in any manner affirmed, or recognised, or derived by, in or from any law hereby repealed ;

nor shall the repeal by this Act of any law revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

THE SCHEDULE

REPEALS

(See section 2)

Name of State	Description of law	Date of repeal
1	2	3
Bhopal	The Bhopal State Land Improvement and Agriculturists' Loans Act, 1937 Muhamadi.	20th June, 1951.
	The Bhopal Civil Procedure Code (Amendment) Act 1929 (Bhopal Act III of 1929).	6th September, 1950.
	The Notified Areas Act, 1946 (Bhopal Act XXII of 1946).	From the date of commencement of this Act.
	The Tehsil Judicial Committee Ordinance, 1948, and His Highness the Nawab of Bhopal's Firman, published under Notification No. 2, dated 30th May, 1946, entitled Village Panchayat.	From the date of commencement of this Act.
Bilaspur	The Bilaspur (Kehloor) State Halqa and Pargana Councils (Powers and Authorised Functions) Act, 2005 (V of 2005 BK).	29th August, 1950
Kutch	Any law corresponding to the Bombay Land Revenue Code, 1879 (Bombay Act V of 1879).	10th May, 1950.
	Any law corresponding to the Bombay Landing and Wharfage Fees Act, 1882 (Bombay Act VII of 1882).	3rd June, 1950.
	Any law corresponding to the Bombay Weights and Measures Act, 1932 (Bombay Act XV of 1932).	7th November, 1950.
	Any law corresponding to the Bombay Agricultural Debtors Relief Act, 1947 (Bombay Act XXVIII of 1947).	24th May, 1950.

1	2	3
	The Kutch Nagarsabha Constitution, 1942, promulgated by Order No. 5516 of 1942.	13th September 1950.
	The Kutch Rent Restriction Rules, 1945.	From the date of commence- ment of this Act.
Vindhya Pradesh	The Rewa State Rent Control Ordinance, 1946.	6th December, 1950.
	The Vindhya Pradesh Sales Tax Ordinance, 1949 (II of 1949).	29th December, 1950.

K. V. K. SUNDARAM,
Secy. to the Govt. of India.